



Department of Justice

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JUSTICE DEPARTMENT ANNOUNCES ITS INTENTION TO BLOCK COMPUWARE'S ACQUISITION OF VIASOFT INC.

Merger Would Result in Higher Fees for Mainframe Computer Software

WASHINGTON, D.C. -- The Department of Justice today announced its intention to file a civil antitrust lawsuit to block Compuware Corporation's acquisition of Viasoft Inc., because the transaction would result in higher prices for certain types of mission-critical mainframe software.

Compuware and Viasoft are head-to-head competitors in worldwide markets for mainframe testing/debugging software and for mainframe fault management software. For many mainframe computer users, this software is crucial to maintaining efficient operations.

"The effect of this transaction would be to remove an important competitor--Viasoft-- and to strengthen Compuware's dominance over these important mainframe computer software products," said Joel I. Klein, Assistant Attorney General of the Department's Antitrust Division. "Unless this acquisition is blocked, major companies, governmental entities, and universities will suffer the loss of competition, resulting in higher prices, less innovation, and poorer service and support."

Testing/debugging software is used both for software development to check for errors as program code is written and in production to fix code in the event of a processing failure. Fault management software detects and diagnoses the errors that cause a processing failure, saving

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hours of computer downtime and programmer labor. For some consumers, Viasoft is the only alternative supplier to Compuware.

According to the Department, Compuware dominates both the testing/debugging software and fault management software markets. Viasoft is its closest competitor in the testing/debugging software market. In the fault management market, Viasoft is a recent entrant with a promising product that should enable it to become a significant competitor to Compuware.

Compuware Corp. is a Michigan corporation with its principal place of business in Farmington Hills, Michigan. Its fiscal 1999 revenues were \$1.6 billion. Viasoft is a Delaware corporation headquartered in Phoenix, with fiscal 1999 revenues of approximately \$104 million.

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